

2011 AB 329
Alberta Darling
Wisconsin State Senator
Member, Joint Committee on Finance

LRB 3122/3 – Milwaukee County Comptroller
Testimony by State Senator Alberta Darling

I believe this is a common-sense solution to the financial challenges facing Milwaukee County, had a system like this been in place previously, it is likely that Milwaukee County would not have faced the enormous fiscal challenges it faces today, including accountability that the County has too often lacked.

An elected Comptroller would serve as the “chief financial officer” for the County and administer its financial affairs. As in the City of Milwaukee, the Comptroller would provide an independent financial analysis to the County Board and County Executive on any matter affecting the County.

If passed this session, the first Comptroller would be elected in fall 2012 for a four-year term. The current role of the County Treasurer would be folded into the Comptroller position, adding fiscal and administrative duties to the office.

As part of his or her role as the “chief financial officer” for the County, the Comptroller would provide an independent fiscal analysis of any matter affecting the county and provide a fiscal note for all proposed legislation to the County Board and County Executive. In addition, the comptroller would oversee the County’s debt, advising the county board on the ability and wisdom of assuming more debt and working with banks and other fiscal agents who are charged with issuing and managing the county’s debt.

As a check and balance for taxpayers the county comptroller would be charged with the job of countersigning all contracts, after verifying that the necessary funds have been provided to pay the liability that will be incurred under the contract. The county would benefit from having a constant advocate who keeps an eye on the county’s finances and keeps an eye on the future by preparing a five-year forecast for the county.

Essentially, this is a position based on existing powers already found in state law for city comptrollers. This legislation is all about accountability. This may seem like simple, common sense, but the County hasn’t always operated by that standard. This isn’t about ideology, partisanship or politics – it is about protecting taxpayers, accountability and responsibility.

I respectfully ask the committee to pass this legislation quickly, so taxpayers in Milwaukee County will be able to add this protection by next fall. Thank you.

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Menomonee Falls, Wisconsin 53051
Phone: 262-250-9440



Daniel J. Diliberti
Milwaukee County Treasurer

October 19, 2011
Committee in Homeland Security and State Affairs

A lot of discussion is taking place about AB329 (formerly LRB3122/3) which was recently drafted and, almost simultaneously scheduled for a hearing.

As Milwaukee County Treasurer, I've received a lot of calls on this proposal and would like to advise members of this committee of my concerns regarding certain facets of the proposal and support for the concept of a strengthened autonomous Controller.

1. Merger of Treasurer's function and audit and controller oversight functions: My biggest concern about merging the Treasurer with the two departments that provide oversight over that office is the loss of the checks and balances that are standard accounting practices for all cash management. AB329 would consolidate the offices of Controller, auditor and Treasurer under one person, the Milwaukee County Controller. In effect, that would mean the controller would be in charge of County Banking and investments and all oversight and accountability for these financial transactions. This violates basic accounting principles of arm's length oversight of financial transactions.

Recommendation: In the interest of ethical financial practices, remove the Treasurer's office and functions from this consolidation plan.

2. Circumvents constitutional amendment requirements. The creation of the elected controller through the renaming the Treasurer's Office, as proposed in AB239, disregards constitutional status of the Treasurer's Office. The independence of the Treasurer was protected by the Wisconsin constitution; LRB 3122/3/AB329 makes these changes through legislative action instead of a constitutional amendment. The meaning of the words controller and treasurer are different by any standard definition. Taking this shortcut is sure to encounter a legal challenge as to its constitutional mandate

Recommendation: the Controller position, like the county executive and county administrator positions, can be created by State Statute along with the increased power and authority. The Controller position should be enacted in a separate State Statute.

3. The establishment of a new partisan elective office in County government is contrary to all previous reform measures.
Partisanship: While Madison is engulfed in an atmosphere of partisan political acrimony, local governments have tried to stay clear of this political maneuvering. The partisan election requirement will saddle the controller with



Daniel J. Diliberti
Milwaukee County Treasurer

having to declare a party affiliation to run for office. What are the Democratic or Republican Party position on controllers, auditor's duties and functions?
Election Requirement: Will the partisan and election requirements contribute to or deter from attracting the most well qualified accountant and financial manager for this new controller position that oversees a \$1.3 billion dollar budget, hundreds of millions of dollars in annual investments, and over seeing a staff of scores of professionals?

Bear in mind, the election requirement will force any qualified applicants to raise hundreds of thousands of dollars for a county-wide campaign, and require re-election every four years. Professionals, like controllers and accountants, normal career ladder is to steadily rise to positions in larger operations. If the Milwaukee County Controller position were an elected one, how many professional auditors, controllers, or auditors in private firms or in other cities or counties would leave their jobs and leave their current residence in order to establish residency to qualify to run for office in Milwaukee, raise hundreds of thousands of dollars in a strange town, collect thousands of signatures, and endure a four-five month election cycle?

On the other hand, if it were appointed, the county could recruit a controller with the education, skills and management experience (perhaps from a somewhat smaller or similar sized city or county or corporation) appropriate to the head of an office with scores of professional staff and a \$1.3 billion dollar annual budget.

An example of this is the recent change in the city of Waukesha where, following a successful referendum on this proposal, the city of Waukesha changed from an elected to an appointed Controller.

Recommendation: In order to get the best qualified and experienced controller give serious consideration to recruiting and hiring one, rather than putting it out for election, where partisanship, fundraising, political connections and other factors would influence the section. Elections should be reserved for policy making offices, not administrative offices.

4. Appointment can be structured to preserve autonomy. As an alternative to election, autonomy for the controller's office could be achieved in many other ways - as is done elsewhere. Various States, counties and cities have appointed controllers elsewhere in the nation. Following a city-wide referendum, the City of Waukesha recently made the change from an elected controller to an appointed one. Appointment allows for the recruitment and hiring of the best skilled and qualified candidate without saddling them with partisan affiliation,



Daniel J. Diliberti
Milwaukee County Treasurer

fund raising and election requirements. Autonomy can be afforded through the combination of various measures (like the Milwaukee Police chief) such as (1) appointment to overlapping terms (offset from the ending dates of terms for county executive and supervisors) , (2) only allowance for removal from office is for cause and (3) requiring joint action by both executive and legislative branches for removal. (Some controllers and corporation counsels already operate under similar terms of appointment.)

Recommendation: consider structuring the controller's position to maintain adequate autonomy to insure appropriate oversight.

Daniel J. Diliberti
Milwaukee County Treasurer



COUNTY BOARD OF SUPERVISORS

Milwaukee County

Date: October 19, 2011

To: Representative Karl Van Roy, Chairman
Assembly Committee on Homeland Security and State Affairs

From: Supervisor Eyon Biddle, Sr., Milwaukee County Board 10th District
Supervisor Theodore Lipscomb, Sr., Milwaukee County Board 1st District

Re: Assembly Bill 329, relating to creating an elected comptroller for Milwaukee County

Chairman, and Committee members, thank you for allowing us to speak to you today in reference to Assembly Bill 329, authored by Representative Kooyenga and Senator Darling. I am Supervisor Theo Lipscomb and my colleague is Supervisor Eyon Biddle. Each of us is elected to represent about 50,000 Milwaukee County residents.

This Committee has received a letter from Milwaukee County Board Chairman Lee Holloway opposing this bill. In his correspondence, the Chairman notes that we should be exploring consolidation of services instead of creating a new elected position in Milwaukee County. The Chairman of the Board also opposes this bill because it would increase costs and the tax levy burden on Milwaukee County. We share his concerns and appreciate this opportunity to elaborate on these and other problems with Assembly Bill 329.

Milwaukee County supports streamlining administrative services

Milwaukee County is on record in support of streamlining the administrative services provided by its Constitutional Officers. Specifically, Milwaukee County supports the abolishment of the County Treasurer and the Register of Deeds positions and the consolidation of their functions into the County Clerk's Office. We are willing to work with the Committee and the authors to make the necessary constitutional and statutory changes necessary to move these changes forward. This type of consolidation would achieve actual fiscal savings.

AB 329 is an unfunded state mandate that would increase costs to Milwaukee County

The introduction of Assembly Bill 329 comes at a time when the City of Milwaukee is studying whether to consolidate the positions of Comptroller and Treasurer.

The City of Milwaukee Comptroller earns \$141,000 a year, about \$54,000 more than the Milwaukee County Treasurer. While the bill does impose new credential requirements for the overhauled Treasurer/Comptroller Office, it does not address compensation for the position.

Further, the bill mandates the appointment of a deputy controller position whose salary is to be set by the Board of Supervisors. For comparative purposes, the City of Milwaukee Deputy Comptroller makes more than \$124,000 a year. Since the bill does not provide any funding for these changes or the other responsibilities of the office, there will be a property tax increase or a reduction of service. This result is unacceptable.

AB 329 disrupts the democratic process and thereby reduces accountability

Democracy is a delicate system of checks and balances. Assembly Bill 329 appears to transfer certain legislative and executive functions to this new office, confusing the separation of powers.

For example, the Milwaukee County comptroller would be required to perform all audit functions under the bill. Milwaukee County's current practice, where the Department of Audit reports to the Board, mirrors your own operations where the non-partisan Legislative Audit Bureau reports to the Legislature. Under AB 329, the Milwaukee County comptroller would be auditing his or her own functions. That is like putting the fox in charge of the hen house.

AB 329 raises constitutional issues

Simply put, under AB 329 there would be no Treasurer Office in Milwaukee County. Instead, there would be an Office of Comptroller. This poses problems because the Treasurer is a Constitutional Office.

Question the applicability of AB 329 only to Milwaukee County

Currently, no County in Wisconsin has an elected Comptroller. AB 329 limits the imposition of this new comptroller position and the overhaul of the Treasurer Office just to Milwaukee County. If the state creation of an elected comptroller position is good for Milwaukee County, it should apply to the other 71 counties in Wisconsin, and you should consider instituting an elected state comptroller position.

Non-Partisan City of Milwaukee Comptroller but Partisan Milwaukee County Comptroller

It has been said that this bill is modeled after the City of Milwaukee Comptroller. To be clear, the City of Milwaukee Comptroller is elected every four years in the April non-partisan election. In contrast, the Milwaukee County comptroller would be elected every four years in a **partisan** election under the bill.

Additionally, the bill would require that the Milwaukee County comptroller either be a licensed or certified public account (CPA) or hold a graduate degree in accounting or finance. There is no similar credential requirement for the Office of the City of Milwaukee Comptroller.

Milwaukee County already has a controller who has served our residents with competence and integrity. Milwaukee County has adopted an ordinance that, upon vacation of the current controller's service, the office is subject to civil service protections. Creating an elected partisan comptroller actually moves us in the wrong direction by politicizing the position of controller in Milwaukee County.

AB 329 does not solve Milwaukee County's current fiscal challenges

Finally, this legislation is being presented as a solution to the financial challenges facing Milwaukee County.

Milwaukee County currently is in the midst of deliberations on the 2012 Budget, and we face about a \$55 million budget shortfall. This shortfall is largely attributable to a nearly \$30 million reduction in state aid next year.

This bill does nothing to address the \$6.9 million cut to the Milwaukee County Transit System or the \$8.3 million cut to Milwaukee County's portion of shared revenues. Nor does the bill address other multi-million cuts to critical human services, including child support and juvenile justice.

Reject AB 329 and work to advance legislation that truly addresses fiscal challenges

In conclusion, this bill appears to be a job creation bill for one partisan politician in Milwaukee County who happens to hold a CPA. Passing this bill does nothing to help Milwaukee County address the fiscal challenges it faces.

Instead, the Legislature should pass the solution endorsed by the voters of Milwaukee County: providing property tax relief by enacting a dedicated funding source for transit, parks and culture, and emergency medical services.

The bottom line is that the addition of this new office would not improve service to Milwaukee County residents. We ask this Committee to reject this bill, and, instead, get to down to the business of creating real jobs for the struggling residents of Milwaukee County.

Abele's budget makes strides

By **SHELDON B. LUBAR** and **ED ZORE**

In recent years, being a decision-maker in Milwaukee County government has not been easy. County leaders have been challenged by unbalanced budgets and tough decisions. There is no quick, simple fix to the challenges facing the county. Cuts have to be made, priorities need to be realigned and something has to give.

Given County Executive Chris Abele's recently released 2012 budget, we think he understands these complexities and has made the necessary, tough decisions. If passed, this budget will be a critical step to move the county toward long-term financial health and stability, enabling it to continue to deliver core services well into the future.

In the face of more than \$29 million in reduced state aid and millions of dollars of deferred maintenance and debt obligations, the county executive started his budget calculations with a \$55 million gap. Abele's budget fills this hole.

While cuts are always difficult, the ones selected are real and responsible. They are the difficult choices that needed to be made. What is remarkable is that Abele achieves this without raising taxes and while maintaining the core services that have been threatened year in and year out.

We applaud Abele, but we don't envy him. Balanced budgets are hard to come by, and they require thoughtful and difficult decisions that many won't agree with. We see just that with the needed cuts to the ever-growing sheriff's budget.

We agree that public safety is critical to the county and that the sheriff's office provides vital services to our community. The proposed budget recognizes this and achieves its reduction through increased efficiencies and eliminating duplication of services. The total number of service hours would not be reduced for the office's core functions of correctional services, bailiffs and parks patrol.

When considering the sheriff's budget, it's important to note several key facts:

■ Even with the proposed reductions, the sheriff's office remains the single-largest user of property tax resources — \$1 of every \$3 collected.

■ Over the past decade, the sheriff's office's share of the tax levy has increased 62%; most other departments have seen their share remain flat or decrease.

■ The sheriff's office is not the primary law enforcement agency anywhere in the county. Because Milwaukee County is fully incorporated, each of the 19 municipalities has its own dedicated police force.

We recognize the service that Sheriff David A. Clarke Jr. and his office provide to the county. However we, like the county executive, seek efficiency. We believe that the proposed changes will result in that desired efficiency while providing the level of public safety that the community expects.

The ongoing budget debate also highlights the need for the recently proposed elected comptroller position. The debate over this budget, as so many before it, has been marked by disagreements about the numbers. It seems like every day someone comes out with another calculation that claims to prove — or disprove — cost-savings and budget estimates.

Debate and disagreement about policy choices is an important part of our system; this is as it should be. But the least we can do is agree on the basic accounting. What is needed is independent, unbiased analysis from someone directly accountable to the taxpayers. We should recognize the success of the elected comptroller model used by the City of Milwaukee and apply it to the county.

We elect officials to make tough decisions on our behalf. The decisions made by those in office might not always line up with our desired choice, but in the end, elected officials are trusted with and are accountable for the difficult decisions. We believe Abele has done just that, and we think the County Board and county residents should take notice.

Sheldon B. Lubar is chairman of Lubar & Co.; Ed Zore is retired CEO and chairman of Northwestern Mutual Life Insurance Co.



Office of the Comptroller

October 19, 2011

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Homeland Security and State Affairs Committee
Attention: Committee Chairperson Representative Karl Van Roy
Room 204 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Van Roy:

I am encouraged by the initiative to create an independent elected Comptroller's Office for Milwaukee County. While not a legislative policy making position, such an office would provide critical value added to the County through ongoing independent review and analysis of major fiscal issues which the County faces. Independent of the Executive and Legislative functions, the Office would provide a source of objective financial advice and counsel. The analysis and disclosure functions are key responsibilities. It is a model which has served the City well, attested to in part, by the City's strong credit ratings, sound financial reserves, and well-funded pension plan. I feel that the creation of a similar position at the County merits support.

I am pleased to provide you with some reactions I have to certain issues raised surrounding the subject of internal controls, auditing and the proposal to create a County Comptroller position.

Proper internal controls are achieved through the appropriate segregation of duties so that no one person is responsible for all phases of a financial accounting process. An easy example would be that if one party is authorized to print checks to vendors, then only a different party is allowed to add or delete names from the vendor files. In organizations the size of the City or County, these systems are long established, and reviewed periodically by internal audit staff (in the City's case), and reviewed annually by the external auditor, in both cases. It must be remembered that the external auditors are required to review the internal controls, and evaluate them to form a basis for subsequent audit testing, and report any material or significant weaknesses to management. In short, major control systems are thoroughly reviewed annually by the independent external auditors.

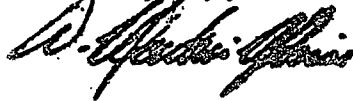
Respecting the investment function, you should be aware that Mayor Barrett's 2012 budget recommends transferring that function to the City Comptroller's office. Organizationally, I do not have an issue with this transfer, assuming that adequate resources are provided. Likewise, I do not foresee problems with this in the County model.

If the entire treasury function is subsumed into the County Comptroller's Office, I presume it will be a separate division of the office, just as the audit function will be. Nothing precludes the Comptroller from having the internal audit function review and test critical or key internal control systems. In fact this should be done. My internal audit staff regularly reviews certain systems which are under my auspices. Written reports are prepared. And as noted before, these systems are also reviewed annually by the external auditors.

The issue of the investment or cashiering function reporting to the same individual as the audit function is therefore not necessarily flawed. In fact, in governmental units where the comptroller and treasurer positions are appointed, both they and the audit function report to the same individual, the chief executive. This business model is utilized by many governmental units, and does not seem to suffer from inherent control weaknesses.

In summary, I do not see any significant control issues in the County Comptroller position, as outlined, and feel that it represents a sound and viable business model. I am pleased to share these observations with you, and you may feel free to share my observations as you deem fit.

Very truly yours,



W. MARTIN MORICS
Comptroller

Cc: Representative Kuglitsch
Representative Ballweg
Representative August
Representative Kooyenga
Representative Danou
Representative Zamarripa
Representative Bewley
Senator Darling

MAHLER ENTERPRISES, INC.

October 18, 2011

Homeland Security and State Affairs Committee
Attention: Committee Chairperson Representative Karl Van Roy
Room 204 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Van Roy:

On October 19th you and your fellow Homeland Security and State Affairs committee members will have the opportunity to discuss a bill that is of utmost importance to Milwaukee County. AB329 would create an elected comptroller for Milwaukee County and help provide the fiscal accountability that is critical to the county's future.

This bill is not about partisan politics. Rather, it is a common-sense solution to the financial challenges facing Milwaukee County. It will provide a much needed 'check' on Milwaukee County's finances, as well as independent analysis to both the County Board and the County Executive.

The concept of an elected comptroller is not new. It's a model that has been proven successful in many places, including the City of Milwaukee, at helping to maintain fiscal stability and accountability. The bill already has support throughout the Milwaukee community, including from Milwaukee County Executive Chris Abele.

I am greatly encouraged by the leadership we have seen locally and in the State Legislature regarding the creation of this important position. We ask that you join these leaders in supporting this much needed common-sense solution for Milwaukee County and its taxpayers.

Sincerely,



Peter L. Mahler
PLM/aw

CC: Representative Kuglitsch
Representative Ballweg
Representative August
Representative Kooyenga
Representative Danou
Representative Zamarripa
Representative Bewley
Senator Darling

600 N. Broadway Ave., Suite 200 • Milwaukee, WI 53202
Phone: (414) 347-1350 or (800) 943-7373 • Fax: (414) 347-1825 • www.mahlerent.com

Thomas Fischer
Fischer Financial Consulting LLC
N881 Marine Drive
Cedar Grove, WI 53013

October 19, 2011

Homeland Security and State Affairs Committee
Attention: Committee Chairperson Representative Karl Van Roy
Room 204 North
State Capitol
P.O. Box 8953
Madison, WI 537-8

Dear Representative VanRoy and Senator Darling,

I want to express to you my very strong support for Milwaukee County to have an elected Comptroller position. I have spent my entire career in the financial consulting business in Milwaukee, working with financial managers in both government and industry. After 35 years with the largest public accounting firm in Wisconsin (Arthur Andersen) I am now a financial consultant to a number of Wisconsin's largest corporations. Additionally I am a member of the Board of Directors of five large Wisconsin corporations, four of which are headquartered in Milwaukee County:

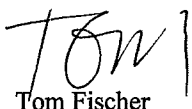
- Actuant Corporation, a NYSE \$1.5 billion global diversified industrial
- Badger Meter, Inc, a NYSE manufacturer of water meters and industrial products
- CG Schmidt, a privately owned contractor, one of the largest in the State
- Wisconsin Energy, the largest public electric and gas utility in Wisconsin, with shares listed on the NYSE
- Regal Beloit Corporation (headquartered in Beloit), an NYSE listed \$3.5 billion global manufacturer of electric motors and other manufactured products (RBC recently acquired the global motors business of AO Smith, which has headquarters in Milwaukee County.)

Milwaukee County would greatly benefit from the services of an elected Comptroller. Our nearby friends in the City of Milwaukee have demonstrated this over the years with sound fiscal management as appropriately scored by the credit agencies. Election would guarantee independence of thought and would bring a freshness to the County's thinking about fiscal matters which we need today. Employers and individual taxpayers in the County are pleading for fiscal alertness and creativity in handling of our financial matters. We should do this for them by passing legislation providing for an elected Milwaukee County Comptroller.

The principal role of a Comptroller/Controller is to "control" spending and provide the creativity needed to find new solutions to balance our financial budgets. I fear that if control is not brought to these issues, employers will continue to flea the County, seeking the stability that better "controlled" entities bring. A fiscally sound Milwaukee County, like a fiscally sound City of Milwaukee, is good for our State, irrespective of the location of your vote.

I strongly support this pending legislation, as does every Democrat and Republican I know.

Thank you for your consideration,



Tom Fischer
Fischer Financial Consulting LLC

October 18, 2011

Homeland Security and State Affairs Committee
Attention: Committee Chairperson Representative Karl Van Roy
Room 204 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Van Roy:

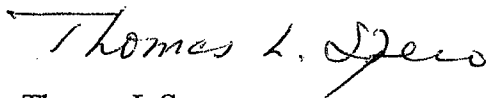
On October 19th you and your fellow Homeland Security and State Affairs committee members will have the opportunity to discuss a bill that is of utmost importance to Milwaukee County; electing a comptroller for Milwaukee County that will help provide the fiscal accountability that is critical to the county's future.

This bill is a common-sense solution to the financial challenges facing Milwaukee County. It will provide a much needed 'check' on Milwaukee County's finances, as well as independent analysis to both the County Board and the County Executive.

The concept of an elected comptroller is not new. It's a model that has been proven successful in many places, including the City of Milwaukee, at helping to maintain fiscal stability and accountability. The bill already has support throughout the Milwaukee community, including from Milwaukee County Executive Chris Abele.

I am greatly encouraged by the leadership we have seen locally and in the State Legislature regarding the creation of this important position. I ask that you join these leaders in supporting this much needed common-sense solution for Milwaukee County and its taxpayers.

Sincerely,



Thomas L Spero
Retired Office Managing Partner Deloitte LLP

CC: Representative Kuglitsch
Representative Ballweg
Representative August
Representative Kooyenga
Representative Danou
Representative Zamarripa
Representative Bewley
Senator Darling



October 18, 2011

Homeland Security and State Affairs Committee
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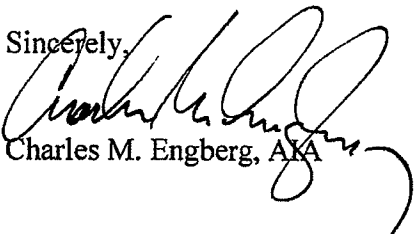
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I am greatly encouraged by the leadership we have seen locally and in the State Legislature regarding the creation of this important position. We ask that you join these leaders in supporting this much needed common-sense solution for Milwaukee County and its taxpayers.

Sincerely,


Charles M. Engberg, AIA

CC: Representative Kuglitsch
Representative Zamarripa
Representative August
Representative Kooyenga
Representative Danou
Representative Ballweg
Representative Bewley
Senator Darling

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October 18, 2011

Homeland Security and State Affairs Committee
Attention: Committee Chairperson Representative Karl Van Roy
Room 204 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Van Roy:

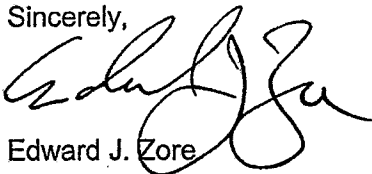
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The concept of an elected comptroller is not new. It's a model that has been proven successful in many places, including the City of Milwaukee, at helping to maintain fiscal stability and accountability. The bill already has support throughout the Milwaukee community, including from Milwaukee County Executive Chris Abele.

I am greatly encouraged by the leadership we have seen locally and in the State Legislature regarding the creation of this important position. We ask that you join these leaders in supporting this much needed common sense solution for Milwaukee County and its taxpayers.

Sincerely,



Edward J. Zore

cc: Representative Kuglitsch
Representative Ballweg
Representative August
Representative Kooyenga
Representative Danou
Representative Zamarripa
Representative Bewley
Senator Darling



Milwaukee County Board of Supervisors

Lee Holloway

Chairman of the Board

October 14, 2011

Senator Scott Fitzgerald, Senate Majority Leader
Representative Jeff Fitzgerald, Assembly Speaker
Senator Mark Miller, Senate Minority Leader
Representative Peter Barca, Assembly Minority Leader
Members of the Milwaukee County State Legislative Delegation

Dear Senators and Representatives,

This letter concerns LRB 2157/4, which proposes the creation of a comptroller for Milwaukee County. Many of my colleagues and I are not supportive of this legislation for a variety of reasons.

The creation of a comptroller position for Milwaukee County would add another politician at a time when we should instead be looking at consolidation of government functions. I don't think anybody believes that adding another partisan politician to the mix would solve Milwaukee County's fiscal challenges.

I have discussed this legislation with Milwaukee County Executive Chris Abele. Although he is publicly supporting this legislation, he now agrees with me that this should not be a partisan office.

This legislation would also add costs and increase the tax levy burden on County residents. A comptroller office, if created, would require salary and benefits for a deputy comptroller as well.

The attached memo from Milwaukee County Intergovernmental Relations has more detail on why this would be a bad bill for Milwaukee County residents.

Thank you for your consideration of our position on this item.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Holloway", written over a horizontal line.

Lee Holloway
Chairman, Milwaukee County Board of Supervisors

Attachment

Cc: Milwaukee County Board of Supervisors
Milwaukee County Executive Chris Abele



INTERGOVERNMENTAL RELATIONS Milwaukee County

Date: October 14, 2011
To: Interested Parties
From: Milwaukee County Intergovernmental Relations
Re: **LRB 2157/4, relating to renaming the office of the county treasurer in Milwaukee County, creating the elective office of county comptroller for Milwaukee County, transferring the duties of the Milwaukee County treasurer to that elective office, and expanding the duties and responsibilities of that office.**

The Greater Milwaukee Committee is touting a proposal, authored by Representative Dale Kooyenga and Senator Alberta Darling, to replace the Milwaukee County Treasurer with an elected comptroller as "*a common sense solution to the current fiscal challenges facing Milwaukee County.*" Going into 2012, Milwaukee County faces a projected \$55 million budget shortfall, a substantial portion of which is attributable to an approximate \$29 million reduction in state aid next year. The circulation of this bill is a diversion from the real fiscal issues facing Milwaukee County right now. Milwaukee County's staff costs actually could increase given the bill's requirements, including a deputy controller position. Milwaukee County does support the abolishment of the County Treasurer and the Register of Deeds positions and the consolidation of their functions into the County Clerk's Office as a means of achieving real fiscal savings and administrative efficiencies.

Proposed legislation only applies to Milwaukee County

- Only modifies the Treasurer Office in a county with a population of 750,000.
- If this modification of the Treasurer Office is good for Milwaukee County, why not apply the same statutory changes to the other 71 County Treasurer Offices.

Constitutional Concerns

- Could potentially pose Constitutional challenges since it modifies the title of only the Milwaukee County Treasurer's Office, the qualifications for this office, and the functions of this office.

Claim that the City of Milwaukee Comptroller is a "Model" for this bill

- The City of Milwaukee Comptroller is elected in the **non-partisan** April election every four years. In contrast, the Milwaukee County comptroller would be elected every four years in the general election beginning 2012. It appears that the Milwaukee County comptroller would thus be a **partisan** office.
- The proposed legislation would require the Milwaukee County comptroller to be a licensed or certified public accountant (CPA) or have a master's degree or doctorate degree in accounting or finance in order to hold elected office. There is no similar requirement that the City of Milwaukee Comptroller be a CPA.
- The City of Milwaukee Comptroller makes more than \$140,000 a year. In contrast, the Milwaukee County Treasurer makes about \$86,000 a year. The bill does not provide any funding to Milwaukee County to account for the skill level required of the position for the revamped Treasurer/Comptroller office.

Usurpation of Executive and Legislative Powers

- Under the bill, the Milwaukee County comptroller would be required to perform all audit functions. This move would distort the system's checks and balances and is tantamount to asking the fox to watch the hen house. Milwaukee County's current practice, where the Department of Audit reports to the Board, mirrors state operations where the Legislative Audit Bureau reports to the Legislature. The Milwaukee County Auditor follows government auditing standards, including standards on independence.
- Milwaukee County currently has a competent and professional controller. If this position were vacated, the new hire would be made by the Director of the Department of Administrative Services who reports to a **non-partisan** County Executive. Under the bill, a new hire could be made by a **partisan** comptroller.

Testimony to the Committee on Homeland Security and State Affairs

Alonzo Kelly, Kelly Leadership, LLC, The Make it Your Milwaukee Coalition

I'm a Milwaukee transplant, originally from Detroit. Milwaukee is my home now, my friends are here and my family is here. Because Milwaukee is my home, I believe strongly in its future. That is why when I learned that the Greater Milwaukee Committee would be working to address the County's fiscal and structural challenges head on, I immediately wanted to be involved.

I call Milwaukee home because it is a great place to live. The amenities that Milwaukee boasts are first rate, whether it's our parks, our zoo or our theaters. Our transit system has long achieved national respect and we provide strong services for those in need. The problem is that the County faces a fiscal crisis that threatens these services and amenities year in and year out. We all need to take steps to right Milwaukee County's fiscal ship and make sure that we put in place the institutions that will keep us moving in the right direction.

For more than a year I have been working with the GMC and a broad-based coalition of supporters to develop and roll-out the Make it Your Milwaukee County initiative. The recommendations, which were rolled out in February of this year, were developed based on significant community dialogue and engagement. I know this because I was the one leading the discussion and arranging the meetings.

We met with hundreds of community leaders as part of securing input from organizations like the Hispanic Chamber of Wisconsin, the Urban League of Milwaukee and the African American Chamber of Commerce. We met with organization devoted to key interests, such as transit, parks and services for the disabled. We met with members of the business community. And we met with Milwaukee County Board Supervisors and other elected leaders in the community.

At almost every single meeting, regardless of the type of organization I was speaking with, there was almost universal agreement that creating an elected Comptroller for Milwaukee County was a must. It just made sense. In fact, most organizations agreed that this should be the first thing that the Initiative focuses on – so here we are.

The bottom line is this makes sense. An elected Comptroller will help provide direct accountability to the taxpayers from an independent party. And it will increase accountability while maintaining efficiency – the position is achieved by redefining a role that currently exists, instead of adding another position to the Milwaukee County payroll.

The City of Milwaukee has greatly benefited from having an elected Comptroller, I want that same success for Milwaukee County – because financial success for the County means less threats to the services the County provides and the people the County employs.

There is no reason not to support this language, it is non-partisan, good-government legislation and it deserves your support.